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Michelle Carey, Esq.
Chief, Media Bureau
Federal Communications Commission
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Washington, DC 20554

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Federal Communications Commission
Office of the Secretary

Re: Quadrennial Review of Local Broadcast Radio Ownership Rules

Dear Ms. Carey:

As the Media Bureau proceeds toward the initiation of the Commission's statutorily prescribed quadrennial review of broadcast ownership regulations, iHeartMedia respectfully requests that the Commission consider, and include among any proposals upon which it seeks comment, very targeted relaxation of local radio ownership regulations.

We believe such prudent deregulation should be consistent with, and further, the very commendable steps that the Commission has taken over recent years, including especially its dedicated work to preserve the vitality of AM radio.

iHeartMedia is the licensee of 850 free, over-the-air broadcast radio broadcast stations all across America, and is committed to providing the communities we serve with the highest quality local news, community information, weather, sports and entertainment. In times of natural disaster, such as Hurricane Harvey last year and Hurricane Florence a few weeks ago, our dedicated staff works around the clock to help their neighbors and communities by doing what radio does best - provide the information, assistance, local connectivity, and support so necessary to those in harm's way before, during and after each of these storms. During these times, local radio is a lifeline and, in short, free broadcast radio continues to serve a unique and critical role – unparalleled by any other communications medium – in connecting and serving local communities across America.

At the same time, iHeartMedia is at the forefront of modernizing broadcast radio to enable it to better compete with ever-evolving digital and Internet-based innovations of the Information Age, and is doing so – enthusiastically – by embracing those innovations. For example:

- Our popular streaming service, iHeartRadio enables our listeners to access thousands of local radio stations, as well as custom stations, on demand and live streaming radio

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service, and podcasts virtually anywhere, anytime, anyplace on over 250 platforms and 2,000 devices, including on digital auto dashes, tablets, wearables and smartphones, on virtual assistants, smart speakers, TVs and gaming consoles.

- We have invested in technologies and data-based solutions that offer advertisers not only the unparalleled reach and listener loyalty of traditional radio, but also the tools to better target key audiences and campaign effectiveness – both of which are essential to more effectively competing for local ad dollars with such tech giants as Facebook and Google.
- Our recently announced acquisition of Stuff Media, a leading podcast publisher, is an excellent example of iHeart's continuing commitment to leadership, innovation and investment in the audio space.

It is beyond dispute that there have been exciting and transformative changes in the audio services market since the 1996 Telecommunications Act. The advent and growth of downloadable music, non-interactive and on-demand streaming services, YouTube and satellite radio have changed the audio landscape, creating both opportunities and challenges for free, over-the-air radio. And of course, social media and search platforms such as Facebook and Google have put significant pressure on local broadcast radio revenues, with AM stations having been especially hard-hit. iHeartMedia and others are responding, as we must, by innovating technologically and creating new programming and business strategies.

Despite these transformative changes to the audio industry, broadcast radio remains remarkably resilient and consistently attracts around 92 percent of all people in the US every week. It is the preferred audio medium for music and entertainment, local news, community information and local weather precisely because, unlike any other audio service, its focus is local and its impact is personal. Its role as the source of vital information to mitigate the impact of disasters is unrivaled, and it remains an anchor of our nation's public warning communications infrastructure. This is particularly true with respect to AM radio stations, which often are a beacon for millions during emergencies, and in which significant investment has been made to ensure their resiliency. In short, radio is the only medium that serves as a reliable, "always there" companion for consumers.

In recent years, the Commission has taken meaningful steps to promote a more supportive and modern regulatory environment for broadcast radio, including through consensus reforms in the AM Revitalization proceeding, and most recently by facilitating entry of minority and female owned radio broadcasters. In that latter order, the Commission repeatedly emphasized the importance of ensuring sufficient incentives for existing broadcasters to dedicate the resources and assets necessary to successfully incubate new owners. iHeart applauds the Commission for these important reforms, which have enjoyed broad support by the industry.

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Considering the transformed audio marketplace that exists and the potential impact of regulatory change, in the upcoming quadrennial review iHeartMedia believes that any change in the Commission's radio ownership rules should reflect several broad principles: (1) it should be targeted to remedy specific marketplace problems that can be addressed through changes in the ownership limits; (2) it should reject broad reforms, which could produce adverse and unintended consequences for the radio industry and the communities we serve; and (3) it should not undermine the goals of, incentives for and progress toward, the Commission's recent efforts to revitalize AM radio and promote increased ownership by women and minorities.

Applying these principles, iHeartMedia urges that the Commission, in its quadrennial review of local broadcast radio ownership regulations, substantially relax its AM ownership rules but retain the local radio broadcast ownership regulations currently in effect with respect to FM stations.

Given the realities of today's local radio marketplace, permitting increased local ownership of AM stations – while retaining the existing caps on FM ownership – would help to remedy several of the radio industry's most pressing ailments. First, creating new ownership opportunities for AM stations in every market would improve market valuations of economically struggling AM stations – with salient benefits for jobs, programming, facilities and community services – specifically serving the Commission's long-standing goal of revitalizing AM radio. Additionally, it would enable market-driven, economically attractive and attainable ownership prospects for women and minority-owned enterprises, buttressing in a market-driven fashion the Commission's substantial efforts to promote these opportunities through its Diversity Incubator program.

By contrast, relaxing (much less eliminating) current limits on FM ownership would risk significant harm to the industry, particularly to AM radio, as it would trigger potentially mass divestiture of AM stations in favor of FM station purchases. Such divestiture would result in a dramatic *devaluation* of and capital flight from AM radio stations, further undermining AM radio's economic challenges and potentially stranding millions of Americans who depend on AM radio for their local news, information, sports and weather. For those current owners of AM radio stations, including women and minority owners, it could destroy the financial underpinnings of their asset. In particular, given the central role of AM radio stations as First Informers for communities during emergencies, including as an integral component of FEMA's nationwide alerting infrastructure, it is essential that any Commission action taken in the quadrennial review not prompt, however unintentionally, a potential spiraling down of divestment and listener flight from the AM radio band.

iHeartMedia does not underestimate the challenges faced by free, over-the-air radio in today's vibrant audio services market. But many of those challenges will not be remedied or even reduced by the radical changes to local radio ownership regulations that some are advocating – because in truth the size of individual station portfolios has little, if any, relationship to the total dollars that an advertiser allocates to free, over-the-air broadcast radio. Owning more FM stations in a market will not make advertisers prefer radio over other options, and more FM

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stations is not a substitute for innovation, ideas, relationships, compelling programming and data solutions for our advertising partners. Indeed, an advertiser can already buy spots on all the stations in a market regardless of who owns them.

In conclusion, iHeartMedia urges the Commission to adopt a targeted, balanced, deregulatory approach to the upcoming quadrennial review. Substantially relaxing AM ownership limits while retaining the other local radio ownership rules will further the Commission's goals of strengthening the AM radio band and promoting attractive ownership opportunities for women and minorities, and avoid decimating AM radio station values with the attendant negative impacts upon millions of AM radio listeners and our nation's public safety and national security communications infrastructure.

Respectfully submitted,

A handwritten signature in black ink that reads "Jessica Marventano". The signature is written in a cursive, flowing style.

Jessica Marventano

Senior Vice President, Government Affairs